

EXHIBIT 315

Highly Confidential - Subject to Further Confidentiality Review

1 UNITED STATES DISTRICT COURT
2 FOR THE NORTHERN DISTRICT OF OHIO
3 EASTERN DIVISION

4 IN RE: NATIONAL) MDL No. 2804
5 PRESCRIPTION OPIATE)
6 LITIGATION,) Case No.
7) 1:17-MD-2804
8)
9 THIS DOCUMENT RELATES TO) Hon. Dan A.
10 ALL CASES) Polster
11)

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14 Tuesday, January 22, 2019
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23 HIGHLY CONFIDENTIAL - SUBJECT TO FURTHER
24 CONFIDENTIALITY REVIEW
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28 Videotaped 30(b)(6) Deposition of
29 Walmart, through the testimony of Susanne
30 Hiland, held at 4206 South J.B. Hunt Drive,
31 Rogers, Arkansas, commencing at 8:22 a.m., on
32 the above date, before Debra A. Dibble,
33 Certified Court Reporter, Registered
34 Diplomate Reporter, Certified Realtime
35 Captioner, Certified Realtime Reporter and
36 Notary Public.

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1 for unusual orders of unusual size as the
2 orders were being processed.

3 Q. And how would they determine
4 whether an order was of unusual size?

5 A. These were --

6 MS. TABACCHI: Beyond the
7 scope.

8 THE WITNESS: These were
9 long-tenured associates that
10 understood the business and the fact
11 that we were self-distributing. So
12 they saw the -- they saw the patterns.
13 They worked with it every single day.

14 Q. (BY MR. BOWER) They were using
15 their memory? Is that correct?

16 MS. TABACCHI: Object to the
17 form.

18 THE WITNESS: They were using
19 their experience.

20 Q. (BY MR. BOWER) Were they using
21 any written information to make those
22 judgments?

23 MS. TABACCHI: Object to the
24 form. Beyond the scope.

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1 the policy you're referring to? Where it
2 says "From as early as 1994 until 2010,
3 employees in Walmart's pharmacy distribution
4 centers reviewed controlled drug stock
5 exception reports, followed up on orders by
6 speaking with pharmacists, and escalated
7 issues to market and/or regional leadership
8 as needed to investigate orders and to
9 resolve concerns."

10 Is that the policy you're
11 referring to?

12 A. Yes. As well as the bullet
13 that's at the very bottom of the page. So
14 I'm on my document that, for the entire
15 relevant time period, our distribution
16 associates monitored orders.

17 Q. Okay. Now, let's go in 2006,
18 what specifically were the associates doing
19 to monitor orders?

20 MS. TABACCHI: Object to the
21 form.

22 THE WITNESS: They were
23 monitoring orders as they came into
24 the distribution center, and again

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1 based on their knowledge and
2 experience of the operations. They
3 were looking for outliers. Things
4 that were outliers for them -- for
5 their knowledge.

6 Q. (BY MR. BOWER) Okay. And
7 during this time period in 2006, Walmart had
8 approximately 4,000 pharmacies; is that
9 correct?

10 MS. TABACCHI: Object to the
11 form. Beyond the scope.

12 THE WITNESS: That's
13 approximate.

14 Q. (BY MR. BOWER) Sounds about
15 right?

16 A. Sounds good.

17 Q. And those pharmacies would be
18 placing orders once a week; correct?

19 A. They had the ability to place
20 orders once a week. Not every pharmacy
21 ordered every week.

22 Q. Okay. And those orders that
23 came in could be for multiple products;
24 correct?

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1 reviewing orders for controlled substances
2 any specific training with respect to those
3 substances?

4 MS. TABACCHI: Object to the
5 form. Beyond the scope.

6 THE WITNESS: There was
7 training as -- as the associates came
8 in around what their duties and
9 responsibilities were.

10 Q. (BY MR. BOWER) And what
11 specific training was provided in connection
12 with monitoring for orders of controlled
13 substances?

14 MS. TABACCHI: Same objections.

15 THE WITNESS: I don't have
16 specific to that -- to that topic.
17 What they understood was their
18 responsibilities, how to perform their
19 duties in their area of
20 responsibility, and the nature of the
21 items that they were --

22 Q. (BY MR. BOWER) Well, how do
23 you --

24 A. -- handling.

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1 MS. TABACCHI: If you would
2 allow her to complete her answer.

3 MR. BOWER: Sorry, go ahead.

4 THE WITNESS: I'm done.

5 Q. (BY MR. BOWER) Well, your
6 testimony is that they understood what their
7 responsibilities were and how to perform
8 their duties in the area. So my question is,
9 how did they understand what their
10 responsibilities were?

11 A. I gained that knowledge from
12 speaking to the manager of the distribution
13 centers, Scott, who had responsibility.

14 Q. And what did Scott tell you
15 with respect to how associates who were
16 reviewing orders of controlled substances --
17 strike that.

18 What did Scott tell you with
19 respect to the training for associates who
20 were reviewing orders of substances in 2007?

21 A. What he told --

22 MS. TABACCHI: Object to the
23 form.

24 THE WITNESS: What he told me

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1 was that there were long-tenured
2 logistics associates that had -- many
3 of them had been in that building
4 since the day that it opened. They
5 understood their -- they understood
6 the products that they were
7 distributing. They understood their
8 role. And they were all engaged in
9 executing the policies and practices
10 at DC '45.

11 Q. (BY MR. BOWER) So is it a fair
12 statement that it was more their experience
13 and specific training that he had relied on
14 in reviewing orders for controlled
15 substances? ,

16 MS. TABACCHI: Object to the
17 form.

18 THE WITNESS: Their -- learning
19 how to do their job would be part of
20 their training. And Walmart has other
21 training plans. So to -- but specific
22 to order monitoring, it was part of
23 the job that they were trained to do.

24 Q. (BY MR. BOWER) But I just --

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1 suspicious orders.

2 Q. And I understand that they may
3 not be reports of suspicious orders, but did
4 Walmart use this information to monitor for
5 orders that were suspicious?

6 A. We used these as a way to
7 communicate patterns to our partners in
8 operations, as well as to provide information
9 that was directly requested from
10 Carolyn Adams at the DEA.

11 Q. But -- and I -- I understand
12 that's what they were used for. I'm just
13 trying to confirm that these reports were not
14 used at the DC 6045 to orders -- to review
15 orders for controlled substances as they came
16 in.

17 MS. TABACCHI: Object to the
18 form.

19 MR. BOWER: And I'll strike
20 that. I'll ask a better question.

21 Q. (BY MR. BOWER) Were these
22 controlled drug stock exception reports used
23 by the associates at DC 6045 to monitor
24 orders for controlled substances as they

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1 were -- came into the DC?

2 MS. TABACCHI: Object to the
3 form.

4 THE WITNESS: No. These were
5 monthly reports.

6 MR. BOWER: Thank you.

7 Q. (BY MR. BOWER) If we can turn
8 to bullet point -- going back to a few pages
9 in Exhibit 1. Walmart's bullet points there.
10 For its additional policies.

11 Sorry, tab 1 of Exhibit 7.

12 My -- thank you.

13 Are you there, the first bullet
14 point there?

15 A. Yes.

16 Q. So when orders were followed up
17 by speaking with pharmacists, were those
18 orders that had been previously flagged as
19 suspicious?

20 MS. TABACCHI: Object to the
21 form. I'm sorry, Zach.

22 MR. BOWER: Sorry.

23 MS. TABACCHI: Where are you?

24 MR. BOWER: Bullet point 1

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1 Right?

2 Do you see that written there?

3 MS. TABACCHI: Object to the
4 form.

5 Q. (BY MR. BOWER) "Escalated
6 issues to market and/or region leadership as
7 needed to investigate orders." Right?

8 MS. TABACCHI: Zach, object to
9 the form. You need to read the entire
10 bullet and we've been on this bullet
11 for a long time.

12 MR. BOWER: We have, but we
13 haven't got much answer on it, have
14 we?

15 MS. TABACCHI: You're just not
16 satisfied with the answer you have.

17 MR. BOWER: No, I am satisfied.
18 I just don't think the witness
19 understands what I'm asking, and I'm
20 trying to ask it in a way that she
21 maybe understands.

22 Q. (BY MR. BOWER) So my question
23 is, when these orders are escalated to market
24 and/or region leadership as needed, what did

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1 those folks do? I'm just trying -- what was
2 the policy as to what those folks were
3 supposed to do?

4 MS. TABACCHI: Asked and
5 answered.

6 THE WITNESS: They would have a
7 conversation with the logistics
8 associate that was reaching out to
9 them to understand what the question
10 was, and then they would go find
11 whatever information, validate what
12 they had already heard from the
13 pharmacist, or follow up specific to
14 whatever the point of escalation was.

15 It says "as needed."

16 Q. (BY MR. BOWER) And were there
17 any written policies and procedures that
18 guided what the market managers or region
19 leadership was to do?

20 MS. TABACCHI: Object to the
21 form.

22 THE WITNESS: No. This was a
23 practice of communication, and
24 exchange between logistics and the

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1 A. In this order, it was item
2 number SKU, NDC. That would be --

3 Q. So that's one way an order
4 would be flagged. Right? 50 bottles or more
5 by item number; right? During this time
6 period, from end of 2011 to 2015; right?

7 A. Correct.

8 Q. And then the other way an order
9 is flagged is if it's 30 percent higher than
10 a rolling four-week average for that item;
11 correct?

12 A. That is correct.

13 Q. Okay. For that second flag,
14 with 30 percent higher than a rolling
15 four-week average, were there any minimums
16 that would be required to meet for an order
17 to be flagged?

18 A. Yes.

19 Q. And what were those minimums?

20 A. An order between 0 and 10 items
21 did not flag.

22 Q. And what's the basis for that
23 statement?

24 A. It's in the SOP of the document

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1 that I read.

2 Q. And that document is not
3 referenced in this bullet point 4, is it?

4 A. It is -- in bullet point 4 --

5 Q. Yes.

6 A. -- it is not.

7 Q. Well, any order less than ten
8 items would not be flagged from 2011 to 2015;
9 is that correct?

10 MS. TABACCHI: Object to the
11 form.

12 THE WITNESS: That is correct.

13 Q. (BY MR. BOWER) And by -- when
14 you referred to "ten items," you meant --
15 what did you mean by "ten items"?

16 A. Ten -- ten units of a single
17 item NDC.

18 Q. And a single item could be a
19 bottle of 100 dosages; correct?

20 A. Correct.

21 Q. A single bottle could be a
22 bottle of 500 dosages; correct?

23 MS. TABACCHI: Object to the
24 form.

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1 Q. (BY MR. BOWER) And are you
2 referring now to like the Mike Mullins and
3 Jeff Abernathys?

4 MS. TABACCHI: Object to the
5 form.

6 THE WITNESS: Yes.

7 Q. (BY MR. BOWER) Okay. Because
8 I think I understand what you're saying,
9 because Mr. Abernathy, for example, testified
10 that he would do some reports if he was the
11 first one in the office, for example.
12 Correct?

13 A. Correct. I read that in his
14 deposition.

15 Q. So under that circumstance, he
16 would be the one responsible for reporting to
17 the DEA a suspicious order?

18 MS. TABACCHI: Object to the
19 form.

20 THE WITNESS: If there was an
21 order that was identified in his
22 shift, he would be responsible for
23 that.

24 Q. (BY MR. BOWER) During this

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1 specific order on a specific day would be
2 identified; is that correct?

3 MS. TABACCHI: Object to the
4 form.

5 THE WITNESS: I don't think
6 I -- I don't think I understand what
7 you're asking.

8 Q. (BY MR. BOWER) And I
9 appreciate that. Bullet point 3 refers to
10 monthly reports; correct?

11 A. Correct.

12 Q. Okay. So those reports
13 wouldn't have been used during this time
14 period, at least, to identify an order that
15 came in on a specific day --

16 A. Now I understand the question.

17 Q. -- for you; correct?

18 A. Correct.

19 Q. So let's go to the next bullet
20 point. The 50-bottle. The 2001-2015,
21 50 bottles and 30 percent higher.

22 Do you see that?

23 A. Yes.

24 Q. Under that policy, practice, or

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1 Q. No. My question is Reddwerks
2 enhancements.

3 A. The enhanced --

4 Q. Yes.

5 A. Okay. Thank you.

6 Q. Yeah. Sorry.

7 A. The enhanced thresholds were
8 calculated using a year's worth of shipment
9 data, and then applying a formula, which was
10 the average weekly order, plus three standard
11 deviations over that 52-week shipment date.

12 Q. And when that formula was used,
13 would that provide the enhancements for a
14 particular store?

15 MS. TABACCHI: Object to the
16 form.

17 THE WITNESS: It was store and
18 item specific. And there were
19 additional defaults that were applied
20 to those thresholds as they were
21 calculated.

22 Q. (BY MR. BOWER) And can you
23 describe for us how those defaults -- let me
24 break that down a little bit.

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1 either. It wouldn't have served its
2 purpose.

3 Q. (BY MR. BOWER) Right. Well,
4 did Walmart consider -- strike that.

5 Would you agree that, in
6 getting the amount of an order that would
7 flag right, as Mr. Greer writes, that Walmart
8 did not want to flag too many orders?

9 MS. TABACCHI: Object to the
10 form. Asked and answered.

11 THE WITNESS: That's one of the
12 considerations. It was not the only
13 consideration.

14 Q. (BY MR. BOWER) What were the
15 other considerations?

16 A. Not flagging too few of times.

17 Q. Okay. And by -- can you put a
18 more precise number on it what you mean by
19 "not flagging too few of times"? What would
20 be too few in your mind?

21 MS. TABACCHI: Object to the
22 form. Beyond scope.

23 MR. BOWER: I'll strike that.

24 Q. (BY MR. BOWER) What did Walmart

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1 consider to be too few?

2 MS. TABACCHI: Same objections.

3 THE WITNESS: It would be
4 something that didn't make sense for
5 the business. That we were reviewing
6 orders appropriately.

7 Again, the purpose of the
8 program is to detect, and so the
9 purpose -- not having enough alerts
10 would potentially impact our ability
11 to detect.

12 Q. (BY MR. BOWER) And I was with
13 you just to the end of that. So I just -- I
14 didn't follow the end of your statement where
15 you said, "Not having enough alerts would
16 potentially impact our ability to detect."
17 What does that mean?

18 A. If there was a suspicious
19 order.

20 Q. So if there's a suspicious
21 order but you don't have enough alerts, it
22 would impact your ability to detect that
23 order; correct?

24 MS. TABACCHI: Object to the